

VERITAS DGC INC
Form 10-Q
June 10, 2005

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

Form 10-Q

(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended January 31, 2005

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission file number 1-7427

Veritas DGC Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

76-0343152

(I.R.S. Employer Identification No.)

**10300 Town Park
Houston, Texas**

(Address of principal executive offices)

77072

(Zip Code)

(832) 351-8300

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(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes No

The number of shares of the Company's common stock, \$.01 par value, outstanding at May 31, 2005 was 33,849,816 (including 155,370 Veritas Energy Services Inc. exchangeable shares which are identical to the company's common stock in all material respects).

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PART I. FINANCIAL INFORMATION

Item 1.

Financial Statements

VERITAS DGC INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)

(Unaudited)

	Three Months Ended January 31,		Six Months Ended January 31,	
	2005	Restated 2004	2005	Restated 2004
	(In thousands, except per share amounts)			
Revenues	\$ 192,228	\$ 145,056	\$ 321,809	\$ 247,463
Cost of services	144,950	112,864	260,952	228,714
Research and development	5,020	3,695	9,114	7,140
General and administrative	8,595	6,392	14,954	12,583
Operating income (loss)	33,663	22,105	36,789	(974)
Interest expense	906	4,197	1,663	8,476
Other (income), net	(1,011)	(347)	(1,589)	(505)
Income (loss) before provision for income taxes	33,768	18,255	36,715	(8,945)
Provision for income taxes	16,400	4,661	18,369	4,446
Net income (loss)	\$ 17,368	\$ 13,594	\$ 18,346	\$ (13,391)
Net income (loss) per share:				
Basic:				
Net income (loss) per common share	\$.51	\$.40	\$.54	\$ (.40)
Weighted average common shares (including exchangeable shares)	33,783	33,745	33,767	33,668
Diluted:				
Net income (loss) per common share	.51	.40	.53	(.40)
Weighted average common shares (including exchangeable shares)	34,318	34,003	34,323	33,668
Comprehensive income (loss):				
Net income (loss)	\$ 17,368	\$ 13,594	\$ 18,346	\$ (13,391)
Other comprehensive income (loss) (net of tax, \$0 in all periods):				
Foreign currency translation adjustments	(697)	584	6,588	6,027
Other unrealized gain (loss)	142	(691)	226	(604)
Total other comprehensive income (loss)	(555)	(107)	6,814	5,423
Comprehensive income (loss)	\$ 16,813	\$ 13,487	\$ 25,160	\$ (7,968)

See Notes to Consolidated Financial Statements

VERITAS DGC INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(Dollars in thousands, except par value)

**January 31,
2005
(Unaudited)**

**July 31,
2004**